

Testimony of

Ludwig Spinelli, Executive Director and Chief Executive Officer
Optimus Health Care

Administrative Offices:
982 East Main Street
Bridgeport, CT 06608-1913
Phone: (203) 696-3260
Fax: (203) 339-7677
www.optimushealthcare.org

On Governor Malloy's Budget Proposals Around Human Services

Good evening, Senators and Representatives, and thank you for this opportunity to testify regarding Governor Malloy's proposals for funding through the Department of Social Services. I'd like to comment specifically on: 1) the elimination of coverage for HUSKY parents over 133% of poverty and 2) the annualization of a change made as a result of December's deficit mitigation plan – the elimination of PCMH-related payments to federally qualified health centers.

Optimus Health Care is a federally qualified health center (FQHC) based in Bridgeport with more than a dozen JCAHO accredited comprehensive health centers across southwestern CT, 16 service facilities including a Homeless Program Soup Kitchen and Homeless Shelter, several Bridgeport School Based Health Centers and a WIC Program. The largest provider of primary care in southwestern Connecticut, Optimus serves over 51,000 people annually, delivering primary medical care, medical specialty care, mental health treatment and dental care. As the Committee may know, FQHCs turn no patients away – regardless of ability to pay. Importantly, Optimus employs 400 people in southwestern Connecticut.

I'd like to tell you a little bit about our patients:

- 2,000 are children seen at one of our school-based health centers;
- 98% live below 200% of federal poverty level, which, for a family of four, means they are earning less than \$46,100;
- 27% are uninsured;
- 85% identify as one or more racial/ethnic minority;
- 32% say they are best served in a language other than English.

So, it is challenging, yet rewarding, work to provide needed health care services – in multiple languages, for individuals with a lot of circumstances in their own lives that make it difficult for them to obtain health care.

1) **HUSKY parents:** I applaud Governor Malloy's proposal to expanding Medicaid to more low-income childless adults under the Affordable Care Act.

However, at the same time, his budget proposes eliminating HUSKY coverage for up to 30,000 HUSKY parents – those who earn more than 133% of federal poverty level (currently, HUSKY A is available to parents earning up to 185% of the poverty level). Governor Malloy's proposal assumes that these parents will purchase health insurance through the Health Insurance Exchange.

I am concerned about this proposal because all of the studies available indicate that about half of this population will NOT purchase health insurance, because, even with federal subsidies, its cost will remain out of reach. This is particularly true in Fairfield County, where the high cost of living makes the purchase of almost anything “extra” impossible for those living near the poverty line. At a time when the state and nation are trying to EXPAND access to health insurance, this proposal would actually cause a projected 15,000 low-income people to LOSE access to health insurance. Importantly, research shows that, when parents lose coverage, their kids often do as well – which could be an unwelcome side effect of this proposal.

Of course, uninsured people are always welcome at FQHCs like Optimus. However, with our Medicaid revenues already down, this proposal would put an additional strain on our health center and could have yet one more side effect as health centers could be forced to reduce hours and/or staff. More detail of these revenue challenges are below.

2) Elimination of PCMH-related Payments to FQHCs: As part of the December deficit mitigation plan, the legislature eliminated all Person-Centered Medical Home payments to FQHCs. This change eliminated add-on payments for FQHCs on the “glidepath” toward PCMH recognition, add-on payments for those FQHCs already recognized and quality payments that were scheduled to start in June. The governor's proposal annualizes this change and OPM Secretary Barnes has explained the change by indicating that FQHCs are reimbursed “at cost” and are already providing the types of services included under PCMH.

Although FQHCs do provide comprehensive health and enabling services to our patients, PCMH recognition goes significantly beyond what is already being provided. Recognition involves changing the entire practice work flow and meeting substantial benchmarks and takes resources beyond what FQHCs typically have on hand.

December's legislation also required FQHCs to submit annual cost reports and our “scope of services” to DSS. So, all of the FQHCs eagerly await DSS's examination of these cost reports – and would certainly anticipate subsequent adjustment of our rates in order to ensure that we really are being

reimbursed "at cost." If the rates are not reflective of cost, then there will be no justification for the continued lack of PCMH-related payments.

Please note that, in addition to this change, in the past year, DSS also eliminated Medicaid payments to FQHCs for rounding on their hospital patients, which cost Optimus alone approximately \$600,000 forcing our organization to stop providing that service to our patients.

I ask this Committee to continue your historical support of health centers and reject these cuts.

Thank you and I'd be happy to answer any questions.

